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From 7 - 20 March 1950, a meeting of labor-office chiefs from all over the country was held in Peiping, under the auspices of the Ministry of Labor and presided over by Li Li-san, Minister of Labor of the Central government. The meeting was attended by approximately 200 persons, including: officials of the ministry, chiefs of the administrative district labor departments, chiefs of the provincial and municipal labor bureaus, delegates of labor unions from all the provinces and large cities, and delegates of industry and commerce from all the large cities.

The Minister of Labor was assisted by his two deputy ministers, Shih Fu-liang and Mao Chi-hua. Seven reports were presented in the three plenary sessions and, in addition, there were eight sectional sessions. Minister Li held four discussion meetings with the delegates of commerce and industry, and one all-day session with the delegates of commerce and industry, the labor unions, and the presidium of the conference. The sectional meetings discussed differences of opinion and sought to harmonize them. The plenary sessions brought together the material from the sectional meetings for a final collation.

Questions on the agenda included: Provisional Labor Union Laws, Instructions on the Establishment of Labor and Capital Conferences in Private Industries, Provisional Rules for Organization of Provincial and Municipal Labor Offices General Principles for Setting Up Municipal Labor Employment Agencies, Methods of Registration and Recommendation of Unemployed Technicians, and Instructions for the Education of Workers. Much time was given to discussion of labor and capital problems. Political reports were made by the Deputy Prime Minister, and the Prime Minister. A fiscal report was given by the Deputy Chairman of the Finance Commission of the Central government. The closing meeting was attended by Chairman Mao and Commander in Chief Chu Te. This is evidence of the importance with which the Central government viewed the conference, and the importance which the government attaches to labor problems in general.

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The basic spirit of this conference was one of a desire to explore together the various problems that now confront labor and capital. The new set-up is much different in spirit than that under the KMT. The Nationalists made many laws that seemed good, but which of them really helped the people? Chairman Li made it clear that the present government wants to move forward in formulating policies in accordance with the desires of the people that make many things seem immediately necessary. On the other hand, he warned that idealism must not be permitted to override realism. Many items that seem necessary and desirable cannot, at present, be realized in a practical way because of lack of experience or preparation.

Chairman Li let everyone speak his mind on the topics that he considered important even though it took a lot of time. Under his wise guidance, problems were considered and discussed thoroughly and dispassionately until everyone was satisfied. Labor delegates and delegates of capital, although they had many dissimilar viewpoints on many questions, both benefited by their joint discussions in this conference. The discussions were carried on in a truly democratic manner.

The policy of the People's government with regard to capital and labor is embraced in the oft repeated statement; "Promote production; revive the economy; public and private enterprise carry on with mutual regard; labor and capital both benefit." Chairman Li made it clear that since the liberation, the position of labor before the law and in society had changed, but that in the matter of material production there had been little change. The only thing that can improve the livelihood of the people is increased production.

The revolution presents the opportunity for the working class to realize advantages as production increases. Some people have the impression that laborers in private industry do not need to work to produce more, that if they do, it will only increase the profits of the extortionate capitalists. Chairman Li stressed that if a workman produced an extra item in private industry, he made society richer by that much and thus added to his own benefits.

He also said that in the old social order, employers looked only to their profit and were concerned only for their own plant and equipment. Labor was no problem, there were many unemployed who could be hired, so little heed was paid to them. They were only adjuncts to machines. While machines must be protected and cared for, the safety or comfort of laborers needed no attention. He indicated that since the commercial and industrial delegates were from the old order of society, they would consider changes difficult to make. He went on: Such changes will take time. All the benefits that are eventually envisaged for the working class cannot be put into effect at once. This is another place where idealism must give way to realism.

Li continued: At present, an 8-hour day is not easy to carry out, and complete elimination of child labor poses problems. Improvement in hygienic conditions is less difficult. Safety measures require a longer time to carry out. Laborers' insurance must come step by step.

The purpose of the Ministry of Labor is three-fold: (1) to secure labor legislation; (2) to see that this legislation is carried out; (3) to regulate the public and private interests in publicly operated business and the interests of labor and capital in private enterprise. Although some may think that with the aid of the Ministry of Labor and the labor bureaus that labor and capital can compose their differences and live in peace and harmony, Chairman Li pointed out that so long as capitalism exists there will be difficulties between it and labor. The only final solution he said, is the Socialistic state with no classes. However, the Socialistic state is not just around the corner. Many years will be required to bring it about in China.

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With regard to the place of the labor bureau in the labor-capital picture, Li continued:

The labor bureau is a government agency that is set up to bridge the chasm between the labor unions and the employers. It can conciliate and mediate. However, it is not merely a negative institution serving only in an impasse. It is also a positive institution that may serve to prevent impasses from being reached. The labor bureau can be an educational institution to teach both capital and labor the best means of promoting their own interests, while at the same time helping each other.

Much time was spent in discussion of the relationship of government to labor and capital. Minister Li made it clear that in government-operated enterprises, the factory government committee must be organized on democratic principles. He noted: In private enterprises, the owners can no longer depend upon the old oppressive measures to control labor. In the new society there are four classes working together in the government, and the laboring class is the chief of these. In publicly operated enterprises, the laborers are the bosses. In private industry, they are still subject to extortion. This system is still recognized by the people's democratic society. What must be destroyed is feudalistic landlordism and bureaucratic extortion. Because of the preponderance of agricultural interests in China, the industrial development of the country has lagged. Industrialists in the past have been tied up with feudalism and foreign aggression. To advance industrial progress, at present, it is necessary to make use of the private capitalistic enterprises of the country for a time. All private capital that can be used will not only be protected by the government, but it will also be aided.

Representatives of industry and commerce in the conference were naturally rather inclined to dislike the word "exploitation" as applied to them by the CCP. However, Chairman Li explained that the term did not necessarily have an evil connotation. It could represent a constructive force, he said. He continued: It could represent the result of a man's careful saving of the profits of his labor until he could invest those profits in a business and employ others. Looked at in this light, exploitation might be regarded as an instrument of progress. In China today, this sort of thing is still needed since there are many people seeking employment; and to seek employment in a private enterprise is to ask for exploitation.

Speaking of the advent of Socialism, the chairman indicated that he knew that many private capitalists greatly feared the time when Socialism would be developed in China because they believed that that day would mean that all their property would be turned over to others. He pointed out that the road ahead for private capital was to seek ways of combining it with government capital in joint enterprises. He went on: Capital is sought for today because it represents a form of security. When the day comes that no one is worried about his present or future, or what advantage will capital be? So it is not an evil thing to think about the future of the capitalist.

Hearing an official speak in this way gave the industrialists, who are struggling with the many headaches of the present, a glimmer of light.

With regard to the new present-day relationships of capital and labor, Li continued: It is only under democratic practices, and without oppression of the laboring man by employers, that equality can be found and mutual interests promoted. There must be collective contracts reached by collective bargaining. Labor cannot expect to compel capitalists to enter contracts. If they attempt it, the capitalist will simply withdraw his capital from circulation, and then how will production be increased? Nor can the employer demand the exclusive right to hire and fire. If this be granted him, the laboring man will be entirely at his mercy. However, if the employer has no say in the matter, how can he expand his industry? How can he develop his labor force? Consequently,

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while it is necessary to grant the employer the right to fire workers, the workers must also have the right to protest. If the firing is just, the workers will have no protest to make. If the protest seems reasonable, the matter can be settled by mediation or arbitration. This is the correct labor-capital relationship.

In the matter of labor's right to strike, Chairman Li said the right to strike is a right which cannot be denied to the laboring man, but he also indicated that in this period it is unnecessary to strike. Differences can be settled by conciliation. Referring to the fact that some laborers had employed the method of placing factory superintendents under duress by locking them up, sometimes even in a toilet, for a day or more, to enforce their demands, Li indicated that this was an illegal and antirevolutionary method and was not to be tolerated by the government or labor unions. Laborers guilty of such practices would be dealt with by law. This clarification of policy was very welcome to the industrial and commercial delegates present.

In the discussion of the labor situation during the last 6 months, Chairman Li pointed out five reasons why optimum results had not been achieved.

1. Economic difficulties.
2. Many employers have not understood the new system and so have been hesitant. Some have tried to create trouble between the unions and the workers by putting all responsibility for meeting the workers' requests on the unions, or the labor offices. The unions and labor offices have the responsibility of seeing to it that the workers do not make exorbitant demands on employers, but employers must not try to stir up trouble between workers and unions or labor offices.
3. Laborers have been shortsighted and revengeful in their demands, thus creating difficulties unnecessarily.
4. Reactionary elements have sought to make trouble. Labor and employers must be on the lookout for this.
5. Government, preoccupied with the many problems of the establishment of order in new areas, has not been able to give sufficient attention to the labor problem. This lack will soon be remedied. Government has also made mistakes in dealing with these matters.

As to future methods of dealing with these questions, these points were stressed: (1) collective bargaining and collective contracts; (2) carrying on according to the three general pronouncements /three people's principles?/ (3) government should legislate on a number of problems that have already become common problems. Labor bureaus need the guidance of laws to make their efforts successful and to avoid wasting time in unguided discussions. Discussion, mediation, and arbitration should all be tried. Problems that cannot be settled in these ways should be referred to the courts.

The matter of labor-capital conferences which have been tried and proved successful in a number of places was discussed. Chairman Li stated that this method of dealing with problems was meritorious, useful, and might embrace many matters of policy and of practice. He indicated one safeguard that the government believes is necessary and that is that no question shall be discussed unless both sides have agreed to its discussion. If carried on in the right way, these discussions by representatives appointed by both sides do not interfere with the rights and privileges of either side. Another needed safeguard is that the representatives of each side must really represent the opinions of those whom they are supposed to be representing.

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There was much discussion of the proposal for a provisional labor-union law. Deputy Minister of Labor Mao said that the proposals were based upon four basic principles: (1) their legal position is assigned to labor unions in the general law of the land; (2) the labor union is an organization to promote the independence of labor; (3) in order that the best results may accrue, the law must stipulate both the privileges and the responsibilities of the labor unions; and (4) each provision should provide practical solutions for practical problems.

The important points in the provisional labor law are:

1. Labor unions are a voluntary association of the laboring masses.
2. One of the responsibilities of the labor union is to protect the property of the business, oppose any lawlessness that would hinder production, and support or criticize the methods of the management.
3. The basic organization of the labor union is the basic committee whose members are free from production responsibilities. The membership varies from one member for a factory or government agency with 200 workers to five members for an organization employing 5,000 workers, and an additional member for each additional 2,000 workers. If an organization employing less than 200 workers seems to require a committeeman not concerned with production, the next higher level committee should authorize it.
4. The salaries of these nonproduction committeemen shall be charged to the union and shall not be less than the amounts they were receiving before joining the committee. Committeemen shall receive the benefits of the usual welfare programs.
5. Labor-union meetings shall be held outside working hours. In case special circumstances require a meeting during working hours, the acquiescence of the employer shall be secured.
6. Labor-union committee members engaged in production may ask for leave from their employer for necessary committee duties with no loss of time up to not more than 2 working days in each month.
7. Labor delegates attending conferences on higher levels shall have their wages paid by the convening agency during the conference.
8. If employers violate the law or the contract in hiring and firing workers, the labor union has the right of protest.
9. Employers shall contribute an amount equal to 2 percent of their actual payroll expense to the labor union each month. The funds shall be turned over to the financial committee of the union. Of these funds, 1.5 percent shall be used for the union's cultural and educational program and one-half of one percent for the union's administrative expenses.

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